

VZCZCXRO7719
PP RUEHCN RUEHGH RUEHVC
DE RUEHHK #0510/01 0780824
ZNY CCCCC ZZH
P 180824Z MAR 08
FM AMCONSUL HONG KONG
TO RUEHC/SECSTATE WASHDC PRIORITY 4435
INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0525
RUEHLI/AMEMBASSY LISBON PRIORITY 0720
RUEHLU/AMEMBASSY LUANDA PRIORITY 0002
RUEHTO/AMEMBASSY MAPUTO PRIORITY 0072
RUEHROV/AMEMBASSY VATICAN PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 HONG KONG 000510

SIPDIS

SIPDIS

DEPT FOR EAP AND EAP/CM
NSC FOR DENNIS WILDER

E.O. 12958: DECL: 03/18/2033

TAGS: [KDEM](#) [PGOV](#) [PHUM](#) [PREL](#) [SMIG](#) [CH](#) [MC](#) [HK](#)

SUBJECT: MACAU: BEIJING'S STEPPING STONE TO LUSOPHONES,
TAIWAN AND THE VATICAN

HONG KONG 00000510 001.2 OF 003

Classified By: E/P Section Chief Laurent Charbonnet; Reasons 1.4 (b, d)

¶1. (C) Summary: Professor Ivo Carneiro, Vice-Rector for Research and International Relations at Macau's Inter-University Institute, recently told us that Beijing's goals for Macau include: (1) closer integration with the Pearl River Delta, especially Zhuhai; (2) expanding trade links with overseas Macau-Chinese emigrant communities; (3) providing a stable platform for China's trade ties and relations with Lusophone (Portuguese-speaking) territories around the world; and (4), facilitating improvement of Sino-Vatican relations. He characterized the relationship between the Macau and central governments as "Beijing speaks and Macau listens." Moreover, although Macau's Catholic Diocese has largely refrained from public involvement in political issues, Carneiro opined that Macau's Catholic Bishop, Jose Lai, is better positioned and "used more" than Hong Kong's Cardinal Joseph Zen to build Sino-Vatican relations. End Summary.

¶2. (C) Comment: Compared to Hong Kong, Macau has enjoyed a generally smoother and less politicized relationship with Beijing since its reversion. Although our contacts in Macau are sometimes noticeably cautious when discussing matters related to the mainland, officials, journalists, and academics there also sometimes boast that their territory enjoys better relations, better access, and more room to maneuver than does Hong Kong. Furthermore, while Article 13 of Macau's Basic Law states that the Central People's Government in Beijing, along with the Office of the Commissioner of the Ministry of Foreign Affairs in Macau, "shall be responsible for the foreign affairs relating to Macau," Macau's 450-year plus history as a colony of Portugal makes the MSAR a logical and active socio-political bridge between Beijing and Lusophone countries around the world. End Comment.

Portuguese Links

¶3. (C) During a recent meeting in Macau, Vice-Rector and Professor Ivo Carneiro de Sousa of the Inter-University Institute in Macau (IIUM) discussed Macau's usefulness to the PRC for its relations with the Catholic Church and with other Lusophone (Portuguese-speaking) nations. Carneiro told us he and IIUM enjoyed close and cooperative relations with

both the Government of Macau, the Macau Diocese of the Catholic Church, and officials of the PRC's liaison office in Macau. IIUM, a collaboration between the Macau Diocese of the Catholic Church and the Catholic University of Lisbon, was created under a 1996 PRC-Portugal bilateral agreement. With strong financial support from the church and the Macau government, the institute is hoping to become Macau's first research university. With construction of a new, environmentally friendly campus on church-donated land in northern Macau to begin shortly, IIUM hopes to sharply increase its enrollment to 2,000 students by 2010. It also plans to establish a branch campus just across the border in Zhuhai.

¶4. (C) According to Carneiro, the PRC central government's strategy for Macau includes the following elements: (1) Macau should become more integrated economically with the Pearl River Delta region of southern China, especially the adjacent city (and Special Economic Zone) of Zhuhai; (2) Macau should expand its economic and trade links with overseas Chinese communities; (3) it should provide a stable platform for China's trade ties and linkages with Lusophone (Portuguese-speaking) territories around the world, including Portugal, Brazil, Mozambique, Angola, Sao Tome and Principe, Cape Verde, Guinea-Bissau, Equatorial Guinea, and East Timor, among others; and (4), Macau's Catholic diocese, which he said was independent from the larger and more vocal Hong Kong diocese, could be used to facilitate improvement of Sino-Vatican relations. Carneiro did not expand upon the first element, but went into considerable detail regarding the other three.

Trade Platform with Lusophones

¶5. (C) Carneiro discussed at length Macau's expanding

HONG KONG 00000510 002.2 OF 003

overseas economic links and its presumed importance to the PRC. He claimed the central government wanted to mobilize "substantial" communities of Macau emigrants in the U.S., Canada, Europe, South America and other places, especially in Portuguese-speaking locations, for the PRC's trade and investment via Macau. Recent examples included PRC investment in the fishing industry in Guinea-Bissau and banks in Mozambique. Carneiro claimed the government had created a "forum," under the PRC "Ministry of Trade" and financed by the Government of Macau, to facilitate this economic activity, which he said was increasing by sixty percent annually. Macau also had signed bilateral taxation agreements with several of the countries.

¶6. (C) Although Macau's 1999 reversion to the PRC induced more than a few of its ethnically Portuguese residents to relocate, and only about 2.1 percent of current residents speak Portuguese, a comparatively high 7.6 percent of civil servants in the Macau government claim that Portuguese is their primary language; this has helped maintain the Macau government's capacity to interface with Lusophone counterparts on behalf of Beijing. Rita Botelho dos Santos, staff director to the Permanent Secretary of the Forum for Economic and Trade Cooperation Between China and Portuguese-Speaking Countries, said that her office hosts a ministerial meeting every three years (the last in 2006) between China's Ministry of Foreign Affairs and the foreign ministers of all Lusophone countries. On March 8, she told us that her office was busy preparing for an upcoming meeting, held in Macau on March 10-11, between the economic ministers of each Portuguese-speaking country (posted in Beijing) and their counterparts in the PRC central government. The meeting served to strengthen economic ties between China and Lusophone countries, with Macau playing a leading role. Following the trade meeting on March 10-11, Sun Tong, Deputy Director-General of the Department of Taiwan, Hong Kong and Macau Affairs in China's Ministry of Commerce, reportedly said that the trade volume between China

and Portuguese-speaking nations in 2007 grew 36 percent over the previous year to more than USD 46 billion. Santos explained that the PRC central government has increasingly allowed the Macau government -- and her office in particular -- to interface with the governments of Portuguese-speaking countries on "less sensitive matters" without explicit direction from Beijing.

Beijing Speaks, Macau Listens

17. (C) In contrast to Santos' view, which focused on economic relations, Carneiro characterized the political relationship between the Macau and central governments as one in which "Beijing speaks and Macau listens." For example, he said, when IIUM was established ten years ago, just prior to the handover and by agreement between the central government and the Government of Portugal, Central Government Liaison Office officials in Macau told university administrators that only two subjects were "not to be criticized" in university research and programs: (1) the "one country, two systems" principle, and (2) the Politburo of the Communist Party of China. The university has not challenged that instruction, though it finds plenty of other areas to research outside of those two strictures.

China-Macau-Vatican Relations

18. (C) Macau's Roman Catholic Bishop, Jose Lai Hung Seng, who (according to Carneiro) also leads the China Commission in the Vatican, reportedly traveled to the Vatican recently to participate in discussions on the Holy See's relations with Beijing at the request of Cardinal Bertone, the Vatican's Secretary of State. Hong Kong's Cardinal Joseph Zen

SIPDIS reportedly also attended. Though Macau's Catholic Diocese has largely refrained from public involvement in political issues, Carneiro opined that Bishop Lai is better positioned and "used more" than Hong Kong's Cardinal Zen to build Sino-Vatican relations. He also said that the Macau diocese was fully independent and did not report to or through Hong Kong. Carneiro also claimed that the Macau Catholic Church maintained close links with overseas Macau emigrant communities.

HONG KONG 00000510 003.2 OF 003

Cunningham